Opinion: America's biggest energy scam is happening now

TheHill.com

May 13, 2024 Monday

THE HILL

Section: EXXON MOBIL NEWS & US NEWS

Length: 1352 words

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Body

The United States has seen some whopping mishaps and scandals in the oil and gas industry over the years, from Teapot Dome in the 1920s to the collapse of Enron in 2001 and the Deepwater Horizon, Exxon-Valdez and Santa Barbara oil spills.

However, the largest, most egregious and most profoundly damaging scandal is still underway.

The unholy alliance between America's governments and the fossil fuel industry has been going on for decades, undeterred and unpunished. Federal and state governments subsidize and facilitate the production and consumption of oil, natural gas and coal despite knowing these products are permanently damaging life on a planetary scale.

Many of our elected officials have participated in a carbon cartel that has blocked effective climate action. U.S. scientists began warning in the 1950s that fossil fuels were changing the climate. Yet fossil fuels still provide about 80 percent of U.S. energy, and America has become the world's biggest oil and gas producer.

The Teapot Dome scandal involved oil industry bribes of a single public official. Today, the oil industry can influence elected officials with unlimited campaign contributions, unrelenting lobbying, and expensive advertising campaigns to burnish the industry's image.

Open Secrets reports that the oil and gas industry spent over a trillion dollars on election campaigns between 1990 and last month. Between 1990 and 2020, five big oil companies reportedly spent at least $3.6 billion on advertising. While scientists have determined that most of the world's underground reserves of fossil fuels must remain, the U.S. oil and gas industry keeps drilling, netting an average of $2.8 billion a day over the last 50 years, according to Statista, a data analysis firm. Statista says the industry made more than a trillion dollars annually for much of the past decade.

The industry could have invested these enormous outlays and profits to lead the world's clean-energy transition. Instead, it has conducted a long campaign to deceive policymakers and the American people and intimidate critics.

For its part, Congress has done virtually nothing to phase out fossil fuels with mandates or market forces. It continues giving the industry billions of dollars in yearly tax breaks that promote oil and gas production. It allows the industry to "externalize" more than $750 billion in social and environmental damages. The damages are not reflected in the market price of these fuels, making it hard for clean alternatives to compete. In 2022, the hidden

costs amounted to $2,243 for every man, woman and child in the United States. Congress had an opportunity to correct this market “imperfection” with carbon pricing in 2003, 2005, 2007 and 2009. But it failed to act.

So, Americans pay for fossil fuels four times: first through tax subsidies, second in energy bills, third with health care and environmental cleanup costs, and fourth with the rapidly growing costs of climate-induced disasters.

Before industrialization began, the concentration of carbon dioxide (CO_2) in the atmosphere was 280 parts per million (ppm). In the 1980s, it reached 350 ppm, still considered safe. Despite international promises to cut CO_2 pollution, scientists expect the concentration to reach nearly 427 ppm this year, higher than it has been in millions of years.

The industry’s deceit and obfuscation is well documented, and a congressional investigation has just confirmed it. But some of the industry’s most recent are worth noting.

For example, oil and gas companies frequently sue environmental organizations (so-called SLAPP suits) that oppose even free speech and assembly. Researchers at Duke University reported as long ago as 1993, “A pattern is emerging across the United States in which citizens and local community groups are being sued for what has long been considered ‘ordinary’ public participation.” SLAPP lawsuits rarely prevail in court, but the industry uses them to intimidate and drain the resources of environmental organizations.

Exxon is even suing some investors who want it to adopt more aggressive climate-stabilization policies. A spokesman for one of the investment groups explains it wants only to “safeguard the long-term future of the company and the global economy in view of the climate crisis.”

Oil-producing states have joined this litigation strategy. North Dakota, Texas, Montana and Wyoming have sued the U.S. Interior Department over a rule to reduce methane leaks, a potent greenhouse gas, from oil and gas operations. Yet new research at Stanford University shows natural gas infrastructure leaks three times more methane than the Environmental Protection Agency estimates. Researchers say economic and public health costs amount to $10 billion annually.

Over the last six years, states, cities, counties and tribal nations have countered with at least 32 lawsuits against oil majors to seek compensation for climate-related damages or penalties for deceptive business practices. The industry tied these suits up for years over jurisdictional issues.

In the meantime, oil producers are engaged in public relations games over their role in climate change. Major producers jumped aboard the “net zero carbon” wagon when oil prices were low, but they backed away and made record-breaking profits when prices rose. Their production plans belie their net-zero promises. “Exxon touts its support for the Paris Agreement while at the same time boasting to investors that it will increase oil and gas production 25 percent by 2030, a scenario that would be game over for the climate,” the Center for Climate Integrity explains.

Oil majors reportedly donate hundreds of millions of dollars to leading universities “to build relationships that could help the industry avoid taking climate action.” And Exxon CEO Darren Woods is trying to shift the blame for climate change to energy consumers. “The people generating the emissions need to be aware of and pay the price for generating those emissions,” he told an interviewer. As Grist explains, “Oil companies make the case that it’s a demand problem – as long as people are driving cars, and thus demanding fossil fuels, then they have to keep producing the gas.”

Democrats in Congress just issued the results of a 2.5-year investigation that found the oil and gas industry has deceived investors, Congress and the American people in a long covert operation of “deception, disinformation and doublespeak” using “dark money, phony front groups, false economic and relentless exertion of political influence to block climate progress.” These findings warrant an investigation by the Justice Department to determine whether the industry broke any laws, including those against racketeering.

But that's not likely to happen before the election. It's up to voters to end this scandal by electing a president, Congress and legislators who support policies like these:

- Put a price on carbon, as Europe has done. Its emission trading regime produced a 15.5 percent cut in carbon emissions from polluting industries and power plants last year and a 47 percent reduction since 2005, when emissions trading began.
- End federal tax subsidies for fossil fuel production.
- Stop leasing public lands for fossil-energy production and suspend all unused leases.
- Codify state and national "just transition" plans to end all but the most essential fossil energy production in the United States.

As U.S. Rep. Jamie Raskin put it, the industry's greed has led us to a "civilizational emergency," the threshold of a world where suffocating heat, floods, storm surges, wildfires, drought and rising seas are the norm. And unless we stop Big Oil's scam, we will cross the threshold with no way back.

William Becker is executive director of the Presidential Climate Action Project (PCAP), a nonpartisan initiative founded in 2007 that works with national thought leaders to develop recommendations on national climate and energy policies. He is a former senior official at the U.S. Department of Energy.

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Load-Date: May 13, 2024